

SEC



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MISSION

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

## OMB APPROVAL

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## FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: WHITE MOUNTAIN CAPITAL, LLC

## OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

65 BROADWAY - SUITE 1807

(No. and Street)

NEW YORK

NY

10006

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

PETER MONTALBANO

212-509-0313

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KAMLER, LEWIS &amp; NOREMAN LLP

(Name - if individual, state last, first, middle name)

ONE LINDEN PLACE

GREAT NECK

NY

11021

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

FEB 27 2009

Office of Compliance Inspection  
and Examinations**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

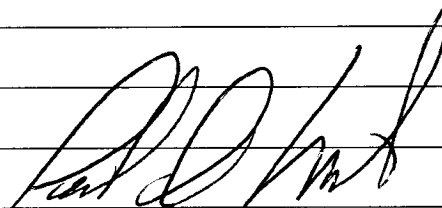
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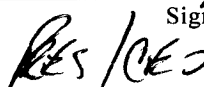
## OATH OR AFFIRMATION

I, PETER MONTALBANO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WHITE MOUNTAIN CAPITAL, LLC, as of DECEMBER 31, 20 08, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

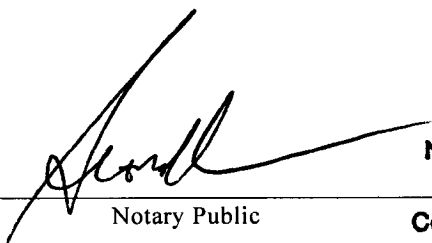
NONE



Signature



Title



Notary Public

**SCOTT H. GOLDSTEIN**  
Notary Public, State of New York  
No. 31-4849852  
Qualified in New York County  
Commission Expires April 28, 2010

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**WHITE MOUNTAIN CAPITAL, LLC**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY**  
**INFORMATION REQUIRED BY RULE 17a-5 OF**  
**THE SECURITIES AND EXCHANGE COMMISSION**  
  
**AND INDEPENDENT AUDITOR'S REPORT**  
  
**AND REPORT ON**  
  
**INTERNAL ACCOUNTING CONTROL**  
  
**DECEMBER 31, 2008**

**WHITE MOUNTAIN CAPITAL, LLC**  
**Financial Statements and Supplementary**  
**Information Required By Rule 17a-5 of**  
**The Securities and Exchange Commission**  
**And Independent Auditor's Report**  
**and Report on**  
**Internal Accounting Control**  
**December 31, 2008**

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**KAMLER, LEWIS & NOREMAN LLP**

*Certified Public Accountants*

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220 White Plains Road  
Tarrytown, NY 10591  
Tel (914) 997-0800


### **Independent Auditor's Report**

Members and Directors of  
White Mountain Capital, LLC

We have audited the accompanying statement of financial condition of White Mountain Capital as of December 31, 2008 and the related statements of income and members' equity, cash flows and changes in subordinated liabilities for the year ended December 31, 2008 that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of White Mountain Capital, LLC at December 31, 2008 and the results of its operations and its cash flows for the year ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

  
Kamler, Lewis & Noreman LLP

February 10, 2009  
Great Neck, New York

**WHITE MOUNTAIN CAPITAL, LLC**  
**Statement of Financial Condition**  
**December 31, 2008**

**Assets**

Cash and Cash Equivalents	\$ 909,823
Deposits with clearing organization - cash	75,000
Due from clearing organization	167,801
Property and equipment-net (Note 2)	19,810
Prepaid expenses and other assets	<u>65,414</u>
	<b>\$ <u>1,237,848</u></b>

**Liabilities and Members' Equity**

Liabilities:

Long term debt (Note 7)	\$ 50,675
Accounts payable and accrued expenses	111,980
Deferred income (Note 12)	<u>183,332</u>
	345,987

Commitments and contingencies (Notes 3, 4, 5, 6, 8, 10, 11 and 12)

Members' Equity

891,861  
**\$ 1,237,848**

See accompanying notes to financial statements.

**WHITE MOUNTAIN CAPITAL, LLC**  
**Statement of Income**  
**For the Year Ended December 31, 2008**

Revenues:	
Firm trading income, net	\$ 1,957,763
Commissions	1,195,432
Interest and dividends	178,264
Other	<u>17,500</u>
Total Revenues	<u>3,348,959</u>
Direct Expenses:	
Compensation, payroll taxes and benefits	1,294,055
Commissions	206,024
Floor brokerage and clearance charges	589,551
Short dividends	10,480
Interest	14,009
Other operating expenses	<u>524,800</u>
	<u>2,638,919</u>
Income from operations	710,040
Other income:	
Forgiveness of debt (Note 9)	<u>75,842</u>
Income before local taxes	785,882
Local income taxes	<u>75,527</u>
Net income	\$ <u><u>710,355</u></u>

See accompanying notes to financial statements.

**WHITE MOUNTAIN CAPITAL, LLC**  
**Statement of Changes in Members' Equity**  
**For the Year Ended December 31, 2008**

Opening Balance, January 1, 2008	\$ 235,050
Distributions	(53,544)
Net income	<u>710,355</u>
Balance, December 31, 2008	\$ <u>891,861</u>

See accompanying notes to financial statements.



**WHITE MOUNTAIN CAPITAL, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

Cash Flows From Operating Activities:	
Net Income	\$ 710,355
Adjustments to reconcile net loss to cash:	
Forgiveness of debt	(75,842)
Depreciation	7,144
Other	641
Changes in assets and liabilities:	
Increase in deposits with clearing organizations	(75,000)
Decrease in due from clearing house	(82,694)
Increase in prepaid expenses and other assets	(15,442)
Decrease in accounts payable and accrued liabilities	(3,440)
Deferred income	<u>183,332</u>
Net Cash Provided By Operating Activities	<u>649,054</u>
 Cash Flows From Investing Activities:	
Acquisition of property and equipment	<u>(15,740)</u>
Net Cash Used By Investing Activities	<u>(15,740)</u>
 Cash Flows from Financing Activities:	
Members distribution	(53,544)
Payments of long-term debt	(16,666)
Decrease in due from affiliate	36,270
Payment of subordinated debt	<u>(166,666)</u>
Net Cash Used by Financing Activities	<u>(200,606)</u>
 Net Increase in Cash	432,708
Cash, beginning of year	<u>477,115</u>
Cash, end of year	\$ <u>909,823</u>
 Supplemental Disclosure of Cash Flows Information	
Cash Paid During the Period For:	
Interest	\$ <u>14,009</u>
Local taxes	\$ <u>46,418</u>

See accompanying notes to financial statements.

**WHITE MOUNTAIN CAPITAL, LLC**  
**Statement of Changes in Subordinated Liabilities**  
**For the Year Ended December 31, 2008**

Subordinated Liabilities at January 1, 2008	\$ 200,000
Paid in 2008	<u>(200,000)</u>
Subordinated Liabilities at December 31, 2008	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

**WHITE MOUNTAIN CAPITAL, LLC**  
**Notes to Financial Statements**  
**December 31, 2008**

Note 1 - Summary of Significant Accounting Policies

Business Organization and Description

White Mountain Capital, LLC (the "Company") is a securities broker and also earns commissions on sales of subscriptions in Mutual Funds and Annuity Contracts. The Company also engages in proprietary trading of equity securities. The Company's customers are primarily located in the New York City metropolitan area. The Company does not carry customer accounts and does not process or safe-keep customer funds or securities and is therefore exempt from Rule 15c3-3 of the Securities and Exchange Commission. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with maturities of less than three months at the date of purchase to be cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of the Company's cash, marketable securities, accounts payable and accrued expenses approximate their respective fair values at December 31, 2008.

Securities Transactions

Marketable security positions, which consist primarily of institutional mortgage-backed securities and asset-backed securities, are valued at the lower of cost or market. Securities not readily marketable are valued at fair value as determined by management.

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method at rates adequate to allocate the cost of applicable assets over their expected useful lives. The cost of maintenance and repairs is charged to income as incurred. Significant renewals and betterments are capitalized.

Impairment of Long-Lived Assets

The Company investigates potential impairments of its long-lived assets when evidence exists that events or changes in circumstances may have made recovery of an asset's carrying value unlikely. An impairment loss is recognized when the sum of the expected undiscounted future net cash flows is less than the carrying amount of the asset. No such losses have been identified.

Revenue Recognition

Generally accepted accounting principles require that trading profits and losses, commission income and related expenses be recorded on a trade date basis unless the difference between trade date and settlement date is immaterial. Agent placement fees are recognized in the period earned.

# WHITE MOUNTAIN CAPITAL, LLC

## Notes to Financial Statements

December 31, 2008

### Income Taxes

The Company was organized as a limited liability company, and accordingly, no provision is required for federal and state income taxes. Under the Internal Revenue Code and similar state regulations, the Company is treated as a partnership and the income of the Company is taxed to the members. The Company is subject to local New York City taxes.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in such estimates may affect amounts reported in future periods.

### Guaranteed Payments to Members

Guaranteed payments to members that are intended as compensation for services rendered are accounted for as expenses rather than as allocations of net income.

### Note 2 - Property and Equipment - Net

Property and equipment consist of the following at December 31, 2008:

Furniture and fixtures	\$ 18,579
Computer equipment and software	<u>18,029</u>
	36,608
Less: Accumulated depreciation	<u>16,798</u>
	<u>\$ 19,810</u>

Depreciation charged to income was \$7,144 during the year ended December 31, 2008.

### Note 3 - Related Party Transactions

The Company is a member of a group of affiliated entities in the financial services industry. The Company earns commission income from an affiliated investment partnership (IP) as well as from officers and employees of companies in the affiliated group, and their family members. In connection with the Company's broker agreement, under certain circumstances, the Company also earns fees on the IP's short cash balances held at the broker and on the margin interest paid by the IP to the broker.

The Company received commission income of \$717,000 from affiliates and other related parties.

# WHITE MOUNTAIN CAPITAL, LLC

## Notes to Financial Statements

December 31, 2008

### Note 4 - Membership Interests

The Company's membership interest consists of three classes. All classes share in the Company's profits and losses. Class A and B also have voting rights. Upon dissolution of the Company, each holder of Class B units is entitled to receive, distributions equal to the total amount of initial capital contributed. After paying the initial capital contribution to class B units, the remaining distributions shall be pro rata according to ownership percentage.

### Note 5 - Financial Instruments With Off Balance Sheet Risk

The Company is engaged in various trading and brokerage activities whose counterparties include primarily broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counter party. It is the Company's policy to review, as necessary, the credit standing of each counterparty. The Company's exposure to risk associated with nonperformance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair a customer's ability to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such nonperformance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with the clearing broker's internal guidelines. The Company monitors its customers' activity by reviewing information it receives from its clearing broker on a daily basis and requiring customers to deposit additional collateral, or reduce positions, when necessary.

### Note 6 - Securities Sold Short

The Company is subject to certain inherent risks arising from its activities of selling securities short. The ultimate cost of the Company to acquire these securities may exceed the liability reflected in the financial statements. In addition, the Company is required to maintain collateral with the broker to secure these short positions. At December 31, 2008, the Company did not have any securities sold short.

### Note 7 - Long-Term Debt

In connection with a disciplinary action by the NASD Department of Enforcement, the Company was assessed a fine of \$100,000.

The following is a summary of principal maturities of this long term debt:

2009	\$ 18,641
2010	22,694
2011	<u>9,340</u>
	<u>\$ 50,675</u>

# WHITE MOUNTAIN CAPITAL, LLC

## Notes to Financial Statements

December 31, 2008

### Note 8 - Leases

In June, 2007, the Company entered into an operating lease for office space in New York City, which expires in June, 2010. The lease required minimum annual rentals. Future minimum annual rental under this lease are as follows:

	Year Ended <u>December 31</u>
2009	\$ 92,500
2010	<u>46,500</u>
	<u>\$ 139,000</u>

Rent expense for the year ended December 31, 2008 was \$91,797.

### Note 9 - Subordinated Loan

In January, 2006 the Company entered into an agreement with its clearing broker for a \$200,000 subordinated loan which was to mature in March 2008. Interest is payable monthly at the clearing broker's margin rate. The Company terminated its agreement with this clearing broker in March 2008 and entered into an agreement with a new organization (See Note 12). As part of the termination agreement, the old clearing broker forgave the balance of the subordinated debt and accrued interest. The forgiveness of the debt amounted to \$33,333 and the interest forgiven was \$25,112. There was additional forgiveness of debt income of \$17,397 unrelated to subordinated loans.

### Note 10 - Concentrations of Credit Risk

As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities servicing a diverse group of domestic and foreign corporations, institutional and individual investors. A substantial portion of the Company's transactions are executed with and on behalf of institutional investors including other brokers and dealers, mortgage brokers, commercial banks, U.S. governmental agencies, mutual funds and other financial institutions. The Company's exposure to credit risk associated with the nonperformance of these customers in fulfilling their contractual obligations pursuant to securities transactions, can be directly impacted by volatile securities markets, credit markets and regulatory changes.

### Note 11 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1), which requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15:1. The rule also provides that capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10:1. At December 31, 2008, the Company had net capital of \$788,695, which was \$688,695 in excess of its required net capital of \$100,000. The Company's ratio of Aggregate Indebtedness to Net Capital was to .44 to 1.

**WHITE MOUNTAIN CAPITAL, LLC**

**Notes to Financial Statements**

**December 31, 2008**

Note 12 - Clearing Broker

In March 2008, the Company entered in to an agreement with National Financial Services, LLC (NFS) to execute and clear transactions and carry accounts on a fully disclosed basis on behalf of the Company's customers. The agreement is for a term of five years and became effective in August 2008. The agreement requires the Company to maintain minimum net capital of \$250,000 and maintain an escrow deposit of \$75,000. The minimum clearing and execution charges are \$15,000 per month. As part of the agreement, NFS gave the Company a credit of \$200,000 towards its clearance fees. This amount is being amortized over the life of the agreement over 5 years. In 2008, the amortization of the clearance fee credit was \$16,668 and is included in other revenues in the statement of income.

Note 13 - Exemption

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.



**KAMLER, LEWIS & NOREMAN LLP**

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**Independent Auditor's Report  
On Supplementary Information  
Required By Rule 17a-5 of the  
Securities and Exchange Commission**

Members and Directors  
White Mountain Capital, LLC

We have audited the accompanying financial statements of White Mountain Capital, LLC for the year ended December 31, 2008 and have issued our report thereon dated February 10, 2009. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I on the following page is presented for purposes of additional analysis, and is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

  
Kamler, Lewis & Noreman LLP

February 10, 2009  
Great Neck, New York



**WHITE MOUNTAIN CAPITAL, LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**Of the Securities and Exchange Commission**  
**December 31, 2008**

**Schedule I**

Net Capital:

Total members' equity per statement of financial condition	\$ <u>891,861</u>
Total net capital	<u>891,861</u>

Deductions - nonallowable assets:

Clearing broker deposit	20,045
Property and equipment, net	19,810
Other assets	<u>63,311</u>
Total nonallowable assets	103,166

Haircuts on trading securities	<u>-</u>
Total Net Capital (Note 11)	\$ <u><u>788,695</u></u>

Aggregate Indebtedness:

Accounts payable and accrued expenses	\$ 111,980
Clearing expense rebate	183,332
Long term debt	<u>50,675</u>
Total Aggregate Indebtedness	\$ <u><u>345,987</u></u>

Computation of Basic Net Capital Requirement:

Minimum net capital required (6-2/3% of \$345,987)	\$ <u><u>23,066</u></u>
Minimum dollar net capital requirement	\$ <u><u>100,000</u></u>
Net capital requirement	\$ <u><u>100,000</u></u>
Excess net capital (Note 11)	\$ <u><u>688,695</u></u>
Ratio of aggregate indebtedness to net capital (Note 10)	<u><u>.44 to 1</u></u>

**WHITE MOUNTAIN CAPITAL, LLC**  
**Reconciliation Pursuant to Rule 17a-5(d)(4) of**  
**The Securities and Exchange Commission**  
**December 31, 2008**

**Schedule II**

Net Capital, as reported in the Company's December 31, 2008 FOCUS Report	\$ <u>788,695</u>
Net Capital per this report (Schedule I)	\$ <u>788,695</u>



## KAMLER, LEWIS & NOREMAN LLP

*Certified Public Accountants*

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### **Independent Auditor's Report on Internal Control Required by SEC Rule 17a-5**

Members and Directors  
White Mountain Capital, LLC

In planning and performing our audit of the financial statements and supplemental schedule of White Mountain Capital, LLC for the year ended December 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by White Mountain Capital, LLC including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c3-3

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



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**Independent Auditor's Report on Internal  
Control Required by SEC Rule 17a-5  
(Continued)**

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, NASD, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

  
Kamler, Lewis & Noreman LLP

February 12, 2009  
Great Neck, New York

# KAMLER, LEWIS & NOREMAN LLP

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